

DRAFT

**SUMMARY OF DRAFT 3 [11/03/2014]
OF PROPOSED SUBSTITUTE FOR HOUSE BILL 5960**

Purchasers Must Pay Current Taxes Before Deed is Issued

- Requires the purchaser at a sale of property foreclosed for nonpayment of property taxes to provide the foreclosing governmental unit (the county treasurer or the state in 12 counties) with proof that all property taxes owed on the property at the time of the sale have been paid to the local tax collecting unit before a deed to the property is issued.
- If the purchaser fails to provide proof of payment of current property taxes, the sale is cancelled. The property may be sold to the next highest bidder if that bidder also pays current property taxes on the property.

Persons with Interest in Foreclosed Property Must Pay Minimum Bid, Even at No Minimum Sale

- A person purchasing property at the last yearly sale (the “no minimum bid sale”) that held an interest in the property at the time it was foreclosed for nonpayment of taxes must pay the minimum bid to purchase the property, not the lower bid amount to assure that taxes, interest, penalties, and fees otherwise owed are not avoided. If the person fails to pay the full minimum bid for the property within 30 days, the foreclosing governmental unit may cancel the sale.

Affidavit Required For Purchasers at Sale—No Other Delinquent Taxes or Blight Violations

- Any person purchasing property at a tax sale must under penalty of perjury sign an affidavit stating:
 1. That the person does not directly or indirectly hold a legal interest in any property with delinquent taxes located in the same county as the property purchased; and
 2. That the person is not directly or indirectly responsible for any unpaid civil fines for a violation of an ordinance authorized by section 4L of the Home Rule City Act (relating to blight violations) in the local tax collecting unit in which the property is located.
- A person convicted of executing a false affidavit is prohibited from bidding for or purchasing a property at any sale of tax reverted property held by a foreclosing governmental unit.

Electronic Payment for Properties Authorized

- Clarifies that a foreclosing governmental unit can accept electronic transfer of funds as payment for property purchased at a sale of tax foreclosed property.